

**ERIN-ERIAFF conference:  
Regional bioeconomy strategies, opportunities and challenges**

**CEPF statement**

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The concept of bioeconomy certainly provides new opportunities for our sector. And thanks to the big new investments in the Finnish and Swedish forest industry it seems as bioeconomy is the new dawn in forestry!

For this reason, and as European forest owners play a key role in securing wood supply as a primary raw material, CEPF started to enhance its cooperation in this context. For instances we joined the Bio-based Industry Consortium (BIC) for further development of the PPP on bio-based industries recently as well as are a member of the just launched European Bioeconomy Alliance (EBA).

But beside new cooperation...

For the European forest owners and classic forest-based sector, bioeconomy actually is nothing new. The European forest sector puts bioeconomy already into practice – and this on a large scale.

- Wood is a key climate friendly renewable raw material in many already today's products.
- 90% of EU's wood demands are provided by sustainably managed EU forests.
- Furthermore, wood plays a leading role in achieving the renewable energy targets, as nearly 50% of the energy feedstock is wood-based.
- Europe's forests are growing – in volume and area. Forest laws and sustainability schemes are largely implemented and only 60-70% of the annual increment is being used.
- Our sector provides millions of jobs, and contributes to the livelihood of millions of private forest owners, as well as to the public budgets of communities and states.

As a new policy concept, bioeconomy provides us not only the opportunity to highlight/better sell what we already do, but also to promote and enhance the potential of an innovative, sustainable and modern forest sector.

Our sector could contribute even more to the target of new sustainable jobs and growth and a fossil-free and climate-friendly economy, if we invest more into new innovative products and industries – but at the same time ensure that the traditional forest and wood-based industries (such as the pulp and paper, wood working industries and small-medium bioenergy plants) remain competitive.

From our perspectives...

When talking about the EU bioeconomy, it is not only about new innovative industries, products and markets – first of all, it is very much about a guaranteed sustainable

domestic (European) biomass production and supply. Without a sustainable domestic biomass production (or even intensified production), there will be no future EU bioeconomy.

Therefore clear investments and support for the rural sector, securing good conditions as well as new benefits for the millions of PFOs and farmers are needed. We have to make sure that the rural sector – with farming and forestry – remains attractive and competitive!

In Europe there are approximately 16 Mill PFOs, which own and take care of about 60% of Europe's forest area.

Big figures, but big figures, which only can make their full contribution to a future bioeconomy, if proper support – financially and politically – is assured at all levels.

We have to make sure that the forest owners (in particular the millions of PFO with small scattered properties) get mobilised.

What we need, are independent and vocal forest owners associations, and private management and marketing services. For this the CAP RDP for instance provides new financial support. (such as for establishing producer groups, securing knowledge transfer and capacity building, forest management and timber marketing services).

Regional governments together with forest stakeholders should:

- Make sure that those RDP measures for improved infrastructure and services are properly used in the regional programmes – particularly in those regions where large forest sector potential is given, but infrastructure is lacking

*Example: Romania, Slovenia - difficult situation due to Natura 2000, limited support from RDP or new state aid guidelines e.g. for road construction, risk for industries (private investors) to invest and get timber mobilised*

- Establish local value chains with a guaranteed local feedstock supply.

*Example: France - new networks of regional small-medium wood energy plants build in collaboration with local forest owners and saw industries*

- Invest into enhanced forest growth, as well as intensified timber production and mobilisation where possible.
- Further enhance niche market initiatives (such as on bio-plastics, bio-based chemical composites) but also ensure that already existing wood based industries (which often include a large number of SMEs) remain competitive.
- But not everything is about biomass when it comes to bioeconomy. We also should further investigate the options and develop systems to better value and market the multiple ecosystem services forests provide (such as fresh water, or soil protection) – but which are largely ignored in today's discussions on bioeconomy.

- When using public funds, use them in short term only. Rather attract private investors.

*Example: limited uptake of RDP funding due to co-funding.*

In the context of EU legislations...

CEPF welcomes the Junckers agenda, to a) focus on growth, jobs and investments, and b) to reconsider some of the EU policies under the refit process, as well as c) all attempts to secure a better coordination and coherency of the various relevant policies and initiatives touching on and driving for a bioeconomy at EU level.

Nevertheless, increasing conflicts of interests are expected because of further clashing land use policy objectives. As for instance between an increasing demand for nature protection vs an increasing need for biomass supply.

When it comes to the question of timber availability and supply, we have to keep in mind that in Europe, thanks to the last decades positive developments, forest resources can be further mobilised in many regions without jeopardising any sustainability.

But of course securing and proofing the sustainability of forest management is certainly a key element – not only in a climate and energy and environmental context, but also very much in more and more booming bioeconomy context.

And though Member States have sufficient instruments in place to safeguard SFM, we certainly have to keep on discussing the need for whatever EU sustainability schemes. Therefore CEPF supports the EU initiative to develop a holistic set of SFM criteria under the EU Forest Strategy. But we certainly do not support any single end-product driven approach, as it is for instance pushed for in the energy debate.

Another element CEPF regards as critical in the EU debates is

...the further push for the cascade use principle – as the silver bullet for all raw material demand and supply questions.

The cascade use might be a nice voluntary principle to be applied by industries, but CEPF certainly does not support to have it enforced and implemented on a EU legal basis, which in its consequence would require EU wide definition, standards, control and compliance mechanisms.

It should not be EU's competence to decide how biomass as a raw material is used. Therefore we strongly oppose the inclusion of the cascading principle in the ILUC directive, as a binding element under the sustainability criteria of the RES Directive.

Research and innovation is certainly elementary in further developing bioeconomy – and this is also why the EU bioeconomy strategy is very much in the responsibility of DG Research. But from our perspective, bioeconomy is not only about research and innovation it is also very much about investment and new biomass producer and industries cooperation.



Therefore CEPF calls for an enhanced coordinated work between DG Research, DG Growth, DG Agriculture, DG Climate Action, DG Energy as well as DG Environment, - and this under the auspices of VP President Katainen, who is responsible for the package of jobs, growth and investment.

When it comes to the role of regions, we can conclude:

A strong regional focus certainly matters, when it comes to an enhanced bioeconomy!

Bioeconomy is not only about substituting fossil based material and energy, but it is very much also about strengthening and further developing the rural sector!

You have to think and coordinate bioeconomy globally – particular in the context of markets – but you have to invest and act and establish new cooperation locally to secure a) sustainable raw material supply and b) establish stable value chains.

Thank you.